

MINUTES OF BOARD CORPORATE MEETING #280

September 13, 2005

(Meetings of the Board Corporate convene immediately after the Board meetings.)

Members Present:

Daniel W. Varin, Chairman
William Penn, V. Chairman
Frank Perry
William Stamp, III
June Swallow
Timothy Brown
Elizabeth Scott*
William Parsons
Jon Schock

Members Absent:

Robert Griffith

*Member designee

Staff Present:

Juan Mariscal
Kathleen Crawley
Thomas Walker
Brian Riggs
Beverly O'Keefe
Rob Christina
William Riveroso
Elaine Maguire
Tracy Shields

Guests:

Pasquale DeLise, BCWA
Paul D. Meyer, Dewberry
Alan Silbovitz, Dewberry
Anthony Caliri, CPA, Casale, Caliri &
Jaroma, CPAs

1. CALL TO ORDER

With a quorum present, Chairman Varin called the meeting to order at 1:12 p.m.

2. APPROVAL OF MINUTES:

On a motion by Mr. Brown, seconded by Mr. Perry, the Board approved the minutes of the August meeting with Ms. Scott and Mr. Schock abstaining.

3. CHIEF FINANCIAL OFFICER'S REPORT

Mr. Penn moved approval of the August CFO report with Mr. Brown seconding the motion. The motion carried unanimously

4. COMMITTEE REPORTS AND ACTION ITEMS RESULTING

A. Finance Committee—Mr. William J. Penn

- (1) FY 2005 Water Resources Board Corporate Annual Audit Report—Request for Approval

Mr. Penn stated that Mr. Caliri was present, that the audit report had been mailed to the membership and the Finance Committee had reviewed it and recommends acceptance. Mr. Parsons seconded and the motion carried unanimously.

Chairman Varin asked if Mr. Caliri wished to speak. Mr. Caliri explained that the accounting had been accurate and in accordance with GASB revisions, some footnotes needed to be updated and others needed to be added. He continued that the timing for the watershed grants had been extended through June, 2006, and that there was an overestimation of usage in the projected estimates in the report based on information received from the water suppliers.

- (2) Phase III Public Drinking Water Protection Program—Status of Expenditures and Funding Deadlines

Mr. Penn explained that the deadline for this program was being extended from December 31, 2005 to June 30, 2006. Mr. Penn explained that there were still \$4.2 million in unexpended project funds. The staff has been in contact with the suppliers and it does not seem possible that they would be able to have the funds expended by December, which is end of the contract the Board has with the suppliers for Phase III. Therefore, the Finance Committee recommends extending the contracts by another 6 months, and the Committee was assured by staff that there are enough projects anticipated to expend the \$4.2 million by June 30, 2006. Mr. Penn moved extension of Phase III to June 30, 2006 with a second by Mr. Schock.

Ms. Swallow asked why there was a deadline. Mr. Penn explained that under the bond indenture the Board must expend the monies within a finite period of time. Otherwise, there is the potential of losing the tax exempt status. The original contract that the Board signed with the water suppliers was a 3-year contract which expires in December, 2005. We have \$4.2 million unexpended; it is unlikely that this money will be expended by the end of December. Mr. Penn explained that there was an option in the contracts which allowed for an extension. Bond counsel had cautioned regarding arbitrage; however, that is not an issue because our investments are at interest rates are at a lower rate than those on the books.

This motion carried unanimously.

B. Public Drinking Water Protection Committee—Chair Robert Griffith

- (1) Town of Westerly Water Department Requisition #4—Water Quality Improvement Project—Looping of Dead End Water Mains. Requested payment: \$38,665.98; Recommended payment: \$38,665.98. Request for Approval

Mr. Perry explained that this project was one in which Westerly was attempting to expend their Phase III funds. The work has already been done, and it has been reviewed. Their work was done by in-house people and therefore cost less than the industry standard. It meets the criteria of approved projects. Mr. Perry moved approval of the project and the payment request subject to the receipt of appropriate documentation from the Town, including canceled checks. Mr. Schock seconded and added that this had been reviewed by the Finance Committee. Ms. Swallow noted that it was unfortunate that the Board was

getting the request for approval when this project was already completed. The motion carried unanimously

5. NEW BUSINESS - None

6. OTHER BUSINESS - None

7. ADJOURNMENT

On a motion by Mr. Schock, seconded by Ms. Stamp, the Board unanimously voted to adjourn at 1:22 p.m.

Respectfully submitted,

Tracy Shields
Personnel Aide

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